

TEACHERS' RETIREMENT BOARD  
BUDGETS AND AUDITS COMMITTEE

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SUBJECT: Approval of Minutes of May 6, 1999 Meeting

ITEM NUMBER: 2

ATTACHMENT(S): 1

ACTION: X

DATE OF MEETING: July 8, 1999

INFORMATION: \_\_\_\_\_

PRESENTER(S): Chairperson

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Please see the attached minutes of the May 6, 1999, Budgets and Audits Committee meeting.

**PROPOSED  
MINUTES OF THE  
BUDGETS AND AUDITS COMMITTEE  
OF THE  
TEACHERS' RETIREMENT BOARD  
THURSDAY, MAY 6, 1999  
THIRD FLOOR, ROBYN D. MILLER BOARD ROOM  
7667 FOLSOM BOULEVARD  
SACRAMENTO, CALIFORNIA**

**COMMITTEE MEMBERS PRESENT**

George Fenimore, Chairperson  
Yvonne Gallegos Bodle  
Lillian Raffel  
Emma Zink  
Beth Renge, representing the State Controller, Kathleen Connell  
Eileen Park, representing the State Treasurer, Philip Angelides  
Annette Porini, representing the Director of Finance, Timothy Gage

**OTHER BOARD MEMBERS PRESENT**

Marty Mathiesen  
Gary Lynes

**STAFF PRESENT**

James D. Mosman, Chief Executive Officer  
Christopher Waddell, Chief Counsel  
Michael Carter, DCEO, Client Benefits and Services  
Elleen Okada, Director of Investment Administration and External Relations  
Peggy Plett, DCEO, Administration  
Laurence Martin, DCEO, Financial and Information Systems  
Ken Costa, Director, START Project  
Way Lee, Director, Office of Audits  
Mary Miles, Administrative Assistant

**OTHERS PRESENT**

Mark Billeci, MSI Properties

A quorum being present, Chairperson Fenimore called the meeting to order at 8:05 a.m.

II. **APPROVAL OF MINUTES OF APRIL 8, 1999 MEETING**

MOTION duly made by Ms. Raffel, seconded by Ms. Porini, and carried to approve the Minutes of the April 8, 1999 meeting.

III. **ANNOUNCEMENTS**

There were no announcements.

IV. **1998/99 BUDGET STATUS REPORT**

Ms. Plett reported that there were no unusual spending patterns to report.

V. **1999-2000 BUDGET STATUS REPORT**

Ms. Plett reported that the budget had passed through the Senate, and is currently waiting to be scheduled for a budget hearing before the Assembly.

VI. **BOARD CONSTRUCTION COST ESTIMATE**

Ms. Plett presented this item. Discussion ensued regarding the cost per square foot for the various areas. Staff was directed to bring the final costs back to the Committee once the Project is bid.

Dr. Bodle arrived at 8:20 a.m.

VII. **STRATEGIC PLANNING - SCHOOL DISTRICT AUDIT PROCESS RE-ENGINEERING**

Mr. Lee provided a progress report on the process re-engineering project. Mr. Lee also explained the difference between a policing role and a consulting role.

VIII. **INTERNAL AUDIT FINAL REPORTS – AUDIT OF EXTERNAL MANAGERS’ EVALUATION PROCESS**

Mr. Lee reported that no material findings were identified other than the need to update procedures.

IX. **COMPLIANCE CASE SUMMARIES**

Mr. Lee presented case summaries for Kern and Contra Costa counties. Mr. Lee reported that the compliance staff have been assisting in doing school district follow-up reviews. The reviews indicate that some counties are not making the recommended corrections to their processes. Since there is no policy in place to enforce counties to comply with the recommendations, staff will be conducting policy discussion to determine options.

X. **START PROJECT REVIEW**

Mr. Lee presented this item.

XI. **OPPORTUNITY FOR STATEMENTS FROM THE PUBLIC**

There were no statements from the public.

XII. **ADJOURNMENT**

Chairperson Fenimore adjourned the Committee meeting at 8:38 a.m.

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James D. Mosman, Chief Executive Officer  
and Secretary to the Teachers' Retirement Board

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George Fenimore, Chairperson